

SULAIMAN LAW GROUP, LTD.
Alejandro E. Figueroa (State Bar No. 332132)
2500 South Highland Avenue, Suite 200
Lombard, IL 60148
Telephone: (630) 575-8181 x 120
Facsimile: (630) 575-8188
Email: alejandrof@sulaimanlaw.com
Attorney for Plaintiff

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

KRISTIN LANGLOIS,
Plaintiff,

v.

HENRY LEGAL GROUP, PLLC
d/b/a HEARTLAND LEGAL
GROUP, LLC,
Defendant.

Case No. 8:22-cv-00874

COMPLAINT FOR DAMAGES

**1. VIOLATIONS OF THE CREDIT
REPAIR ORGANIZATIONS ACT, 15
U.S.C. §1679 ET SEQ.;**

**2. VIOLATION OF THE
CALIFORNIA CREDIT SERVICES
ORGANIZATIONS ACT OF 1984,
CAL. CIV. CODE §1789.10 ET SEQ.**

**3. VIOLATIONS OF THE
CALIFORNIA FAIR DEBT
SETTLEMENT PROCEDURE ACT,
CAL. CIV. CODE § 1788.300 *et seq.***

DEMAND FOR JURY TRIAL

COMPLAINT

NOW comes KRISTIN LANGLOIS (“Plaintiff”), by and through the undersigned, complaining as to the conduct of HENRY LEGAL GROUP, PLLC d/b/a HEARTLAND LEGAL GROUP, PLLC (“Defendant”) as follows:

NATURE OF THE ACTION

1
2 1. Plaintiff brings this action for damages pursuant to the Credit Repair
3 Organizations Act (“CROA”) under 15 U.S.C. § 1679 *et seq.* the California Credit
4 Services Organizations Act of 1984 (“CCSOA”) pursuant to Cal. Civ. Code §1789.10
5 *et seq.*, and the California Fair Debt Settlement Practices Act (“CFDSPA”) under
6 Cal. Civ. Code § 1788.300 *et seq.* for Defendant’s unlawful conduct.
7

8 JURISDICTION AND VENUE

9
10 2. This action arises under and is brought pursuant to the CROA. Subject matter
11 jurisdiction is conferred upon this Court by 15 U.S.C §1679, as well as 28 U.S.C.
12 §§1331 and 1337, as the action arises under the laws of the United States.
13 Supplemental jurisdiction exists for the state law claims pursuant to 28 U.S.C. §1367.
14

15 3. Venue is proper in this Court pursuant to 28 U.S.C. §1391 as Defendant
16 conducts business within the Central District of California and a substantial portion
17 of the events or omissions giving rise to the claims occurred within the Central
18 District of California.
19

20 PARTIES

21
22 4. Plaintiff is a natural “person,” as defined by 47 U.S.C. § 153(39), over 18 years
23 of age, residing in Huntington Beach, California, which lies within the Central
24 District of California.
25

26 5. Defendant is a credit repair organization that offers its clients both legal and
27 non-legal services designed to resolve their debt issues, in turn allowing such
28

1 consumer's to improve their credit history by using Defendant's service. Defendant
2 is a professional limited liability company organized under the laws of the state of
3 Michigan with its principal place of business located at 41000 Woodward Avenue,
4 Suite 350, Bloomfield Hills, Michigan.

6 6. Defendant is a "person" as defined by 47 U.S.C. §153(39).

8 7. Defendant acted through its agents, employees, officers, members, directors,
9 heirs, successors, assigns, principals, trustees, sureties, subrogees, representatives
10 and insurers at all times relevant to the instant action.

12 **FACTS SUPPORTING CAUSES OF ACTION**

13 8. In approximately February 2020, Plaintiff was seeking to improve her credit
14 and try and resolve some debts that were appearing on her credit report, and began
15 considering whether to enlist the services of a credit repair organization or debt
16 consolidation company.

18 9. Plaintiff subsequently came upon Defendant.

20 10. Plaintiff spoke with Defendant, who in turn subjected Plaintiff to an in-person
21 meeting to explain the nature of its services and what Plaintiff could expect.

22 11. Plaintiff was informed that she would enroll a number of debts in Defendant's
23 program, make monthly payments to Defendant, and once there were enough funds
24 from which Defendant could negotiate with her creditors, Defendant would begin
25 working on resolving Plaintiff's debts with the creditors or those seeking collection
26 of the enrolled debts.
27
28

1 12. Plaintiff clarified that she wanted the debts resolved so as to improve her
2 credit history, and Defendant advised that, while there may be a slight diminishment
3 to her credit score by using Defendant's program, ultimately her credit history would
4 improve because she would have resolved debts that otherwise went unresolved.
5

6 13. Plaintiff subsequently entered into a contract with Defendant for the provision
7 of its credit repair services and enrolled two debts in Defendant's program – one
8 owed to Barclays Bank, and another owed to Lending Club.
9

10 14. Plaintiff's payments to Defendant totaled approximately \$600 each month.
11

12 15. However, Defendant inappropriately took from Plaintiff's payments retainer
13 fees and other service-related fees purportedly earned by Defendant, despite
14 Defendant not having performed any services, let alone completely performing the
15 services, that would have justified the retention of such fees.
16

17 16. Plaintiff persisted in making her monthly payments to Defendant for
18 approximately two years.
19

20 17. Throughout this time, Plaintiff contacted Defendant on a number of occasions
21 to inquire about the status of its services and how her payments were going towards
22 resolving her debts.
23

24 18. In response to Plaintiff's requests for information, Defendant would
25 persistently give Plaintiff the run-around and provide deflective answers about where
26 exactly Plaintiff's payments were being directed.
27
28

1 19. Defendant persistently misrepresented where Plaintiff's payments were going
2 as it suggested they were being put towards the enrolled debts.

3
4 20. Additionally and upon information and belief, Defendant was charging
5 Plaintiff for additional service fees that had not been previously explained or
6 disclosed to Plaintiff.

7
8 21. Wanting further information about the nature of Defendant's services,
9 Plaintiff requested an accounting and itemization of where her funds were going;
10 however, Defendant refused to provide any information or accounting of where
11 Plaintiff's payments were being directed.

12
13 22. Additionally, despite Plaintiff making at least \$14,000 in payments to
14 Defendant, Defendant failed to settle any of the debt Plaintiff had enrolled in
15 Defendant's program, despite Plaintiff having directed more than enough funds for
16 Defendant to reach such settlements.

17
18 23. Defendant represented to Plaintiff that her debts would be resolved once she
19 had made enough payments – yet such representation was rendered false, deceptive,
20 and misleading by the way in which Defendant went about administering Plaintiff's
21 debt resolution program and its failure to even begin resolving Plaintiff's obligations
22 despite her maintenance of more than enough payments.

23
24 24. Frustrated and distressed over Defendant's conduct, Plaintiff spoke with the
25 undersigned regarding her rights.
26
27
28

1 25. Plaintiff has suffered concrete harm as a result of Defendant's actions,
2 including but not limited to, emotional distress, aggravation, mental anguish,
3 pecuniary harm, denial of the benefit of her bargain, making payments for deficient
4 credit repair services, relying upon Defendant's representations to her detriment,
5 being subjected to improper fees, as well as a violation of her state and federally
6 protected interests – interests which were harmed and put at a material risk of harm
7 as a result of Defendant's conduct.
8

9
10 **COUNT I – VIOLATIONS OF THE CREDIT REPAIR ORGANIZATIONS ACT**
11

12 26. Plaintiff repeats and realleges paragraphs 1 through 25 as though fully set forth
13 herein.

14 27. Plaintiff is a "consumer" as defined by 15 U.S.C. § 1679a(1) of the CROA.
15

16 28. Defendant is a "credit repair organization" as defined by §1679a(3) of the
17 CROA, as it is a person who uses any instrumentality of interstate commerce or the
18 mails to sell, provide, or perform any service, in return for the payment of money or
19 other valuable consideration, for the express or implied purpose of improving a
20 consumer's credit, credit history, or credit rating, or providing assistance to any
21 consumer with regard to any activity or service for the purpose of improving a
22 consumer's credit.
23
24

25 **a. Violations of CROA § 1679b(a)**
26

27 29. The CROA, pursuant to 15 U.S.C. § 1679b(a)(3) prohibits any person from
28 "mak[ing] or us[ing] any untrue or misleading representation of the services of the

1 credit repair organization.” Additionally, pursuant to 15 U.S.C. § 1679b(a)(4), any
2 person is prohibited from “engag[ing], directly or indirectly, in any act, practice, or
3 course of business that constitutes or results in the commission of, or an attempt to
4 commit, a fraud or deception on any person in connection with the offer or sale of
5 the services of the credit repair organization.”
6

7
8 30. Defendant violated the above referenced provisions of the CROA through its
9 misrepresentations and deception as to the nature of the credit repair services it
10 provided Plaintiff. Defendant represented to Plaintiff that, upon making enough
11 payments to establish sufficient funds in a settlement fund, Defendant would be able
12 to resolve her debts. However, despite Plaintiff sufficient payments from which at
13 least one of the enrolled debts could have easily been resolved in line with
14 Defendant’s representations, Defendant failed to do so. As such, Defendant
15 deceptively represented the timeline by which Plaintiff’s payments would be
16 sufficient to begin resolving her enrolled debts.
17

18
19 31. Defendant further violated the above referenced provisions of the CROA
20 through its deceptive and misleading representations regarding where Plaintiff’s
21 payments were going. Throughout the parties’ dealings, Defendant deceptively and
22 misleadingly provided Plaintiff the run-around on precisely where her fees were
23 going. Defendant engaged in this deceptive and misleading conduct in order to
24 mislead Plaintiff into thinking that Defendant’s retention of fees was justified, and
25 to similarly attempt to convince Plaintiff that her fees were being applied as
26
27
28

1 originally represented, despite that not being the case. Defendant engaged in this
2 deceptive and misleading run-around with Plaintiff in order to continue bilking
3 payments from Plaintiff.
4

5 32. Defendant further violated the above referenced provisions of the CROA by
6 deceptively representing the effectiveness of its services. Despite Plaintiff making
7 payments for years, Defendant has failed to address any of Plaintiff's enrolled debts.
8

9 **b. Violations of CROA § 1679b(b)**

10 33. The CROA, pursuant to 15 U.S.C. § 1679b(b), provides that "[n]o credit repair
11 organization may charge or receive any money or other valuable consideration for
12 the performance of any service which the credit repair organization has agreed to
13 perform for any consumer before such service is fully performed."
14

15
16 34. Defendant violated § 1679b(b) through its charging and receiving of money
17 for services it agreed to perform for Plaintiff before such services were fully
18 performed. Defendant's practice of charging a retainer for services upfront, before
19 such services are performed, inherently violates the CROA. Defendant similarly
20 withheld sums from credit repair services it never actually performed, and has not
21 refunded such payments to Plaintiff.
22

23
24 **c. Violation of CROA § 1679c**

25 35. The CROA provides that a credit repair organization must provide consumers
26 with certain written disclosures in the contract underpinning the provision of credit
27 repair services to consumer. Pursuant to 15 U.S.C. § 1679c(b), "the written
28

1 statement required under this section shall be provided as a document which is
2 separate from any written contract or other agreement between the credit repair
3 organization and the consumer or any other written material provided to the
4 consumer.”

5
6 36. Defendant violated 15 U.S.C. § 1679c through its failure to provide the written
7 disclosures required under § 1679c. Defendant never provided such disclosures, nor
8 did it provide a separate document containing such disclosures.

9
10 **d. Violation of CROA § 1679d(4)**

11
12 37. The CROA, pursuant to 15 U.S.C. § 1679d(4), requires credit repair
13 organization to include, in the contract between them and a consumer, “a
14 conspicuous statement in bold face type, in immediate proximity to the space
15 reserved for the consumer’s signature on the contract, which reads as follows: ‘You
16 may cancel this contract without penalty or obligation at any time before midnight
17 of the 3rd business day after the date on which you signed the contract. See the
18 attached notice of cancellation form for an explanation of this right.’”

19
20
21 38. Defendant violated 15 U.S.C. § 1679d(4) through its complete failure to
22 provide the above disclosure in immediate proximity to the space reserved for
23 Plaintiff’s signature on the contract. Nowhere in the contract between Plaintiff and
24 Defendant does Defendant provide such a disclosure in bold face type in immediate
25 proximity to the space reserved for Plaintiff’s signature, demonstrating Defendant’s
26 direct violation of § 1679d(4).
27
28

1 39. As a result of Defendant's deficient contract, the contract should be deemed
2 void and unenforceable. 15 U.S.C. § 1679f(c).

3
4 **e. Violation of CROA § 1679f(b)**

5 40. The CROA, pursuant to 15 U.S.C. § 1679f(b) provides that, "[a]ny attempt by
6 any person to obtain a waiver from any consumer of any protection provided by or
7 any right of the consumer under [the CROA] shall be treated as a violation of [the
8 CROA]."

9
10 41. Defendant violated 15 U.S.C. § 1679f(b) through its attempt to obtain
11 Plaintiff's waiver of the protections afforded him under the CROA. In the contract
12 between the parties, Defendant attempts to get Plaintiff to waive a number of rights
13 and protections afforded her. For example, Defendant's contract attempts to
14 preclude Plaintiff from recovering his attorneys' fees if she ultimately prevails on a
15 claim against Defendant.
16

17
18 42. The CROA further dictates that any contract found not to be in compliance
19 with the CROA "shall be treated as void" and "may not be enforced by any Federal
20 or State court or any other person." 15 U.S.C. § 1679f(c).

21
22 WHEREFORE, Plaintiff, KRISTIN LANGLOIS, respectfully requests that this
23 Honorable Court enter judgment in her favor as follows:
24

- 25 a. Declaring that the practices complained of herein are unlawful and violate
26 the aforementioned bodies of law;
27
28 b. Awarding Plaintiff actual damages to be determined at trial, as provided
under 15 U.S.C. § 1679g(a)(1);

- 1
- 2 c. Awarding Plaintiff punitive damages, in an amount to be determined at trial,
- 3 as provided under 15 U.S.C. § 1679g(a)(2)(A);
- 4 d. Awarding Plaintiff costs and reasonable attorney fees as provided under 15
- 5 U.S.C. § 1679g(a)(3); and
- 6 e. Awarding any other relief as this Honorable Court deems just and
- 7 appropriate.

8 **COUNT II – VIOLATIONS OF THE CALIFORNIA CREDIT**

9 **SERVICES ORGANIZATION ACT OF 1984**

10 43. Plaintiff restates and realleges paragraphs 1 through 42 as though fully set forth

11 herein.

12 44. Plaintiff is a “buyer” as defined by Cal. Civ. Code § 1789.12(c).

13 45. Defendant is a “credit services organization” as defined by Cal. Civ. Code §

14 1789.12(a).

15

16 **a. Violation of CCSOA § 1789.13**

17

18 46. The CCSOA, pursuant to Cal. Civ. Code § 1789.13, provides a list of

19 prohibited conduct for credit services organizations.

20 47. Pursuant to § 1789.13(a), a credit services organization cannot “charge or

21 receive any money or other valuable consideration prior to full and complete

22 performance of the services the credit services organization has agreed to perform

23 for or on behalf of the buyer.”

24

25 48. Defendant violated § 1789.13(a) when it charged and received money from

26 Plaintiff without fully completing the services. As alluded to *supra.*, Defendant

27

28

1 improperly retained Plaintiff's payments without first fully performing the services
2 justifying such retained payments.

3
4 49. Pursuant to § 1789.13(g), credit services organization cannot "[m]ake or use
5 untrue or misleading representations in the offer or sale of the services of a credit
6 services organization." Similarly, pursuant to § 1789.13(h), a credit services
7 organization cannot "[e]ngage, directly or indirectly, in an act, practice, or course of
8 business that operates or would operate as a fraud or deception upon a person in
9 connection with the offer or sale of the services of a credit service organization."
10

11
12 50. Defendant violated §§ 1789.13(g)&(h) through its deceptive and misleading
13 representations regarding the nature, cost, and efficacy of its services, as discussed
14 *supra*.

15
16 **b. Violations of CCSOA §§ 1789.14-1789.15**

17 51. The CCSOA, pursuant to Cal. Civ. Code § 1789.15, provides the extent of
18 information that must be provided to a buyer by a credit services organization under
19 § 1789.14.
20

21 52. Defendant violated these provisions of the CCSOA by failing to provide
22 Plaintiff such disclosures and similarly failing to provide Plaintiff a copy of the
23 disclosures.
24

25 **c. Violations of CCSOA § 1789.16(a)**
26
27
28

1 53. The CCSOA, much like the CROA, requires credit services organizations to
2 include a conspicuous statement regarding a consumer's right to cancel a contract.
3
4 See Cal. Civ. Code § 1789.16(a)(1).

5 54. Defendant violated § 1789.16(a)(1) by failing to provide the required
6 disclosure in the proper location in its contract with Plaintiff.
7

8 WHEREFORE, Plaintiff, KRISTIN LANGLOIS, respectfully requests that this
9 Honorable Court enter judgment in her favor as follows:

- 10 a. Declaring that the practices complained of herein are unlawful and violate
11 the aforementioned statutes and regulations;
12 b. Awarding Plaintiff actual damages pursuant to Cal. Civ. Code § 1789.21(a);
13
14 c. Awarding Plaintiff punitive damages pursuant to Cal. Civ. Code §
15 1789.21(a);
16 d. Awarding Plaintiff's costs and reasonable attorney fees, pursuant to Cal. Civ.
17 Code § 1789.21(a); and
18 e. Awarding any other relief as this Honorable Court deems just and
19 appropriate.

20 **COUNT III – VIOLATIONS OF THE CALIFORNIA FAIR DEBT SETTLEMENT**
21 **PRACTICES ACT**

22 55. Plaintiff restates and realleges paragraphs 1 through 54 as though fully set forth
23 herein.

24 56. Plaintiff is a "consumer" as defined by Cal. Civ. Code § 1788.301(d).

25 57. Defendant is a "debt settlement provider" as defined by Cal. Civ. Code §
26 1788.301(a).
27
28

1 58. Defendant does not satisfy the test necessary to be exempted from the
 2 CFDSA for attorneys and law firms, as it charges consumers, and charged Plaintiff,
 3 for the debt resolution services it was providing. *See* Cal. Civ. Code § 1788.304(c).
 4

5 **d. Violation of CFDSA § 1788.302**

6 **a. Violations of § 1788.302(a)**

7
 8 59. The CFDSA, pursuant to Cal. Civ. Code § 1788.302(a), provides that “[a]
 9 debt settlement provider shall not engage in false, deceptive, or misleading acts or
 10 practices when providing debt settlement services.” Further, “without limiting the
 11 general applicability of the foregoing,” conduct violates § 1788.302(a) if it includes
 12 “[o]mitting any material information.” Cal Civ. Code § 1788.302(a)(3).
 13

14 60. Defendant violated § 1788.302(a) of the CFDSA in much the same way it
 15 violated the CROA and CCSOA’s prohibitions on deceptive and misleading conduct.
 16

17 61. Defendant further violated Cal. Civ. Code § 1788.302(a)(3) when it omitted
 18 material information from Plaintiff regarding the way in which Plaintiff’s payments
 19 were being applied. Plaintiff requested this material information, yet Defendant
 20 consciously chose to omit such material information from Plaintiff and thus leave her
 21 completely in the dark regarding how Plaintiff’s payments were being applied.
 22
 23

24 **b. Violations of § 1788.302(c)**

25 62. The CFDSA, pursuant to Cal. Civ. Code § 1788.302(c), provides that “[a]
 26 debt settlement provider . . . shall not engage in unfair, abusive, or deceptive acts or
 27 practices when providing debt settlement services” Without limiting the general
 28

1 applicability of this prohibition, it is considered unfair, abusive, and deceptive for a
2 debt settlement provider to “request[] or receive[] payment of any fee or
3 consideration for debt settlement services, unless and until”: (1) some sort of
4 settlement or alteration of an enrolled debt has occurred; (2) a consumer has made at
5 least one payment pursuant to the negotiated debt; and the fee must be proportional
6 or otherwise represent a percentage of the amount saved. agreement between the
7 consumer and the creditor. Cal. Civ. Code § 1788.302(c)(2).
8

9
10 63. Defendant violated § 1788.302(c) through its unfair and deceptive conduct
11 directed towards Plaintiff. As alluded to *supra.*, Defendant engaged in a series of
12 deceptive and unfair conduct in connection with the services it provided Plaintiff.
13

14 64. Furthermore, Defendant violated § 1788.302(c)(2) through its requesting and
15 receiving payment from Plaintiff for its debt resolutions services upfront, before
16 completing any of the services it represented it would perform. Rather than wait to
17 collect its fees until it actually provided some benefit to Plaintiff, Defendant instead
18 began siphoning off Plaintiff’s payments for charges and fees it had not actually
19 incurred and which were entirely premature given Defendant’s subsequent complete
20 failure to perform any of the services it represented it would perform.
21
22

23
24 WHEREFORE, Plaintiff KRISTIN LANGLOIS, respectfully requests that this
25 Honorable Court enter judgment in her favor as follows:
26

- 27 a. Declaring that the practices complained of herein are unlawful and violate
28 the aforementioned statutes and regulations;

- 1 b. Awarding Plaintiff actual damages pursuant to Cal. Civ. Code §
2 1788.305(b)(1)(B);
- 3 c. Awarding Plaintiff statutory damages, pursuant to Cal. Civ. Code §
4 1788.305(b)(1)(A), of \$5,000.00 per violation of this title;
- 5 d. Awarding Plaintiff punitive damages pursuant to Cal. Civ. Code §
6 1788.305(b)(3);
- 7 e. Awarding Plaintiff's costs and reasonable attorney fees, pursuant to Cal. Civ.
8 Code § 1789.21(a); and,
- 9 f. Awarding any other relief as this Honorable Court deems just and
10 appropriate.

11 Dated: April 26, 2022

Respectfully submitted,

12 /s/Alejandro E. Figueroa
13 Alejandro E. Figueroa, Esq.
14 California Bar No. 332132
15 *Counsel for Plaintiff*
16 Sulaiman Law Group, Ltd
2500 S Highland Ave, Suite 200
Lombard, IL 60148
Telephone: (630) 575-8181 Ext. 120
alejandrof@sulaimanlaw.com